



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

Wednesday, February 17th, 2016 8:30 a.m. Room 352 State Capitol Building

Representative Pscholka, Chair, called the meeting to order.

Chair Pscholka requested attendance be called to establish a quorum of the appointed committee members:

Present: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Absent: None.

Excused: None.

Representative Muxlow moved to approve the minutes from the February 10th, 2016 meeting.

There being no objection, the motion was approved by unanimous consent.

The Chair laid SB 136 before the committee:

SB 136 (Hildenbrand) Appropriations; zero budget; supplemental appropriations; provide for fiscal year 2015-2016.

Treasurer Nick Khouri testified on the bill. Questions and discussion followed.

Jody Lundquist, representing the City of Flint, testified in support of the bill. Questions and discussion followed.

The following people submitted testimony cards in support of the bill, but did not wish to speak:

Allan Wachendorfer, representing the National Association of Social Workers, Michigan.

Rachel Richards, representing the Michigan League for Public Policy.

Representative Poleski offered the following amendment to SB 136:

1. Amend page 2, following line 13, following "**DEPARTMENT OF TREASURY**" by striking out all of sections 301 and 302 and inserting:

"Sec. 301. (1) From the funds appropriated in part 1 for the Flint declaration of emergency, up to \$30,000,000.00 shall be allocated to reimburse the water enterprise fund of the city of Flint in an amount equal to credits posted to its customers' accounts in accordance with section 302.

(2) The department shall report quarterly to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the distribution of the funds allocated pursuant to part 1.

Sec. 302. (1) There shall be no administrative charges, from any entity, removed or expended from the appropriations in part 1.

(2) There shall be no expenditures from the funds appropriated in part 1 without specific authorization by the state treasurer.

(3) All unexpended funds from the appropriations in part 1, as of September 30, 2016, shall lapse to the general fund.

(4) The credit to a water customer's account shall be equal to the following:

(a) For a residential customer, an amount determined by the state treasurer not to exceed 65% of the amount billed for water from the beginning of the billing period containing April 30, 2014 to the end of the billing period containing the date upon which the declaration of disaster, as described in Senate Concurrent Resolution No. 23 of the 98th Legislature, expires.

(b) For all other customers, an amount determined by the state treasurer not to exceed 20% of the amount billed for water from the beginning of the billing period containing April 30, 2014 to the end of the billing period containing the date upon which the declaration of disaster, as described in Senate Concurrent Resolution No. 23 of the 98th Legislature, expires.

(5) Credits for sewer services are not to be reimbursed under this section or section 301.

(6) The amount of the credits calculated under subsection (4) shall reflect rates consistent with the rates paid at the time of billing.

(7) The state treasurer, or his or her designee, and the auditor general may audit transactions provided for under this section and section 301 at their discretion."

Representative Poleski explained his amendment. Questions and discussion followed.

Representative Poleski moved to adopt the amendment for SB 136. The motion prevailed by a vote of 21-5-3.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Singh, and Yanez.

Nays: Reps. Roberts, Banks, Faris, Hoadley, and Pagan.

Pass: Reps. Irwin, Zemke, and Durhal.

Representative Faris offered the following amendments:

1. Amend page 1, following line 9, after "Flint declaration of emergency", by striking out "\$30,000,000" inserting "\$60,000,000"
2. Amend page 2, following line 13, after "Flint declaration of emergency," by striking out "\$30,000,000.00" and inserting "60,000,000.00" and adjusting the subtotals, totals, and section 201 accordingly.

Representative Faris explained her amendments. Questions and discussion followed.

Representative Faris moved to adopt the amendments for SB 136. The motion did not prevail by a vote of 11-18-0.

UNFAVORABLE ROLL CALL:

Yeas: Reps. Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, and Miller.

Pass: None.

Representative Faris offered the following amendments for SB 136:

1. Amend page 2, after line 2, by inserting

" Sec. 103. DEPARTMENT OF HEALTH AND HUMAN SERVICES

(1) APPROPRIATION SUMMARY:

| | | | |
|--|-----|----|-----------|
| Full-time equated classified positions..... | 4.0 | | |
| GROSS APPROPRIATION | | \$ | 3,550,000 |
| Interdepartmental grant revenues: | | | |
| Total interdepartmental grants and intradepartmental transfers | | | 0 |
| ADJUSTED GROSS APPROPRIATION | | \$ | 3,550,000 |
| Federal revenues: | | | |
| Total federal revenues..... | | | 0 |
| Special revenue funds: | | | |
| Total local revenues | | | 0 |
| Total private revenues..... | | | 0 |
| Total other state restricted revenues | | | 0 |
| State general fund/general purpose..... | | \$ | 3,550,000 |

(2) WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

| | | | |
|--|-----|----|------------|
| Full-time equated classified positions..... | 4.0 | | |
| Women, infants, and children program administration and special projects--4.0 FTE positions..... | | \$ | 250,000 |
| Women, infants, and children program local agreements and food costs | | | 3,300,000 |
| GROSS APPROPRIATION | | \$ | 3,550,000 |
| Appropriated from: | | | |
| State general fund/general purpose..... | | \$ | 3,550,000" |

and adjusting the subtotals, totals, and section 201 accordingly.

2. Amend page 2, after line 13 following section 301, by inserting

"DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 401. (1) From the funds appropriated in part 1 for the women, infants, and children program administration and special projects, 4.0 FTEs shall be hired and assigned to work in the city of Flint to provide women, infants, and children food program (WIC) services and enroll children up to age 10 in WIC.

(2) From the funds appropriated in part 1 for the women, infants, and children program local agreements and food costs, \$3,300,000.00 shall be allocated to expand WIC services to cover children up to age 10 in the city of Flint.”.

Representative Faris explained her amendments.

Representative Faris moved to adopt the amendments to SB 136. The motion did not prevail by a vote of 11-18-0.

UNFAVORABLE ROLL CALL:

Yeas: Reps. Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, and Miller.

Pass: None.

Representative Irwin offered the following amendments to SB 136:

1. Amend page 2, after line 2, by inserting

"Sec. 103. DEPARTMENT OF ENVIRONMENTAL QUALITY

(1) APPROPRIATION SUMMARY:

| | | |
|--|----|------------|
| GROSS APPROPRIATION | \$ | 55,000,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ | 55,000,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | \$ | 55,000,000 |

(2) RESOURCE MANAGEMENT DIVISION

| | | |
|--|----|-------------------|
| Flint declaration of emergency | \$ | <u>55,000,000</u> |
| GROSS APPROPRIATION | \$ | 55,000,000 |
| Appropriated from: | | |
| State general fund/general purpose | \$ | 55,000,000” |

and adjusting the subtotals, totals, and section 201 accordingly.

2. Amend page 2, after line 13, following section 301, by inserting:

“DEPARTMENT OF ENVIRONMENTAL QUALITY

Sec. 401. (1) From the funds appropriated in part 1 for the Flint declaration of emergency, \$55,000,000.00 shall be utilized to remove and replace all lead-contaminated service lines in the Flint water distribution system.

(2) The first priority for removal and replacement of pipes under subsection (1) shall be for high-risk households with pregnant women and children.”.

Representative Irwin explained his amendments. Questions and discussion followed.

Representative Irwin moved to adopt the amendments for SB 136. The motion did not prevail by a vote of 11-18-0

UNFAVORABLE ROLL CALL:

Yeas: Reps. Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, and Miller.

Pass: None.

Representative Poleski moved to report SB 136 with recommendation, as substitute (H-1). The motion prevailed by a vote of 29-0-0.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: None.

The Chair laid HB 4388 before the committee:

| | | |
|---------|------------|--|
| HB 4388 | (McCready) | Education; financing; school district's permissible use of sinking funds; expand to include school security improvements and technology. |
|---------|------------|--|

Representative McCready testified on the bill. Questions and discussion followed.

Representative McCready moved to adopt substitute (H-3) for HB 4388. The motion prevailed by a vote of 29-0-0.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: None.

Representative Afendoulis moved to report HB 4388 with recommendation, as substitute (H-3). The motion prevailed by a vote of 29-0-0.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: None.

The Chair laid HB 5078, HB 5079, HB 5080, and HB 5081 before the committee:

| | | |
|---------|-------------|--|
| HB 5078 | (Pscholka) | Corrections; parole; procedures for parole of prisoner who is determined to be medically frail; revise. |
| HB 5079 | (Pagel) | Corrections; parole; corrections code of 1953; amend to implement medically frail parole. |
| HB 5080 | (Pagel) | Crime victims; rights; crimes victim's right to give oral statement to parole board; amend in certain cases. |
| HB 5081 | (VerHeulen) | Crimes; penalties; penalties for removal of a parolee from a facility who was placed there as a condition of his or her parole; provide for. |

Robin Risko from the House Fiscal Agency testified on the bills. Questions and discussion followed.

Barbara Levine, representing the Citizens Alliance on Prisons and Public Spending, testified in support of HB 5078, HB 5079, and HB 5080, and in opposition to HB 5081. Questions and discussion followed.

The following people submitted testimony cards in opposition to the bills, but did not wish to speak:

Jean Doss, representing Elder Law Task Force- Michigan Poverty Law Program.

Melissa Samuel, representing the HealthCare Association of Michigan.

Rachel Richards, representing the Michigan League for Public Policy.

Representative Pagel moved to adopt substitute (H-1) for HB 5078. The motion prevailed by a vote of 29-0-0.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: None.

Representative Pagel moved to adopt substitute (H-1) for HB 5080. The motion prevailed by a vote of 29-0-0.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: None.

Representative VerHeulen moved to adopt substitute (H-1) for HB 5081. The motion prevailed by a vote of 29-0-0.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: None.

Representative Pagel moved to report HB 5078 with recommendation, as substituted (H-1). The motion prevailed by a vote of 27-0-2.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Singh, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: Reps Faris and Yanez.

Representative Pagel moved to report HB 5079 with recommendation. The motion prevailed by a vote of 26-0-3.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Irwin, Roberts, Banks, Singh, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: Reps. Santana, Faris, and Yanez.

Representative Pagel moved to report HB 5080 with recommendation, as substitute (H-1). The motion prevailed by a vote of 27-0-2.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Singh, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: Reps. Faris and Yanez.

Representative VerHeulen moved to report HB 5081 with recommendation, as substitute (H-1). The motion prevailed by a vote of 18-0-11.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, and Miller.

Nays: None.

Pass: Reps. Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

The Chair laid SB 472 and SB 473 before the committee:

| | | |
|--------|-----------|--|
| SB 472 | (Schmidt) | Taxation; tobacco; tobacco product manufacturers' escrow accounts act; modify. |
|--------|-----------|--|

SB 473 (MacGregor) Tobacco; generally; tobacco products tax act; require certain enforcement disclosures.

The Chair laid the committee at ease, the time being 9:50 a.m.

The Chair called the committee to order, the time being 9:53 a.m.

Representative Garcia moved to adopt substitute (H-1) for SB 472. The motion prevailed by a vote of 29-0-0.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: None.

Representative Garcia moved to adopt substitute (H-2) for SB 473. The motion prevailed by a vote of 29-0-0.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Santana, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: None.

Representative Muxlow moved to report SB 472 with recommendation, as substitute (H-1). The motion prevailed by a vote of 28-0-1.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: Rep. Santana.

Representative Garcia moved to report SB 473 with recommendation, as substitute (H-2). The motion prevailed by a vote of 28-0-1.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Miller, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: None.

Pass: Rep. Santana.

The Chair laid SB 476 before the committee:

SB 476 (Schmidt) Taxation; tobacco; tobacco products act; eliminate sunset related to tax on cigars.

Amy Drumm, representing the Michigan Retailers Association, submitted a testimony card in support of the bill, but did not wish to speak.

Representative Kelly offered the following amendment to SB 476:

1. Amend page 2, line 10, after "2012" by striking out the comma and inserting "and through October 31, ~~2016~~, 2021,".

Representative Kelly explained his amendment.

Representative Durhal moved to adopt the amendment to SB 476. The motion prevailed by a vote of 25-3-1.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Canfield, Cox, Garcia, Inman, Miller, Irwin, Roberts, Banks, Faris, Singh, Zemke, Durhal, and Hoadley.

Nays: Reps. Bizon, Yanez, and Pagan.

Pass: Rep. Santana.

Representative Hoadley offered the following amendments to SB 476:

1. Amend page 2, line 10, after "However," by inserting "**EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBDIVISION,**".

2. Amend page 2, line 12, after "cigar." by inserting "**BEGINNING 5 YEARS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT REMOVED THE SUNSET UNDER THIS SUBDIVISION AND EVERY 5 YEARS THEREAFTER, THE STATE TREASURER SHALL ADJUST THE CAP IN EFFECT UNDER THIS SUBDIVISION BY AN AMOUNT DETERMINED BY THE STATE TREASURER AT THE END OF EACH 5-YEAR PERIOD TO REFLECT THE CUMULATIVE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES CONSUMER PRICE INDEX. AS USED IN THIS SUBDIVISION, "UNITED STATES CONSUMER PRICE INDEX" MEANS THE UNITED STATES CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS AS DEFINED AND REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.**".

Representative Hoadley explained his amendments.

Representative Hoadley moved to adopt his amendments for SB 476. The motion did not prevail by a vote of 11-17-1.

UNFAVORABLE ROLL CALL:

Yeas: Reps. Bizon, Irwin, Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley, and Pagan.

Nays: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Canfield, Cox, Garcia, Inman, and Miller.

Pass: Rep. Santana.

Representative Inman moved to report SB 476 with recommendation, as substitute (H-1). The motion prevailed by a vote of 25-3-1.

FAVORABLE ROLL CALL:

Yeas: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Canfield, Cox, Garcia, Inman, Miller, Irwin, Roberts, Banks, Singh, Yanez, Zemke, Durhal, and Hoadley.

Nays: Reps. Bizon, Faris, and Pagan.

Pass: Rep. Santana.

The Chair laid the Executive Budget Overview from the House Fiscal Agency before the committee.

The Chair invited Mary Ann Cleary from the House Fiscal Agency to speak on the report. Questions and discussion followed.

There being no further business to come before the committee, the Chair adjourned the meeting, the time being 10:27 a.m.

Representative Pscholka, Chair

Matthew Carnegie
Committee Clerk
February 17th, 2016
117 minutes

Date Approved and Signed